BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 June 2012
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 June 2012	**Preceding year quarter to 30 June 2011**	**Current year to 30 June 2012**	**Preceding year to 30 June 2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	170,148	198,897	325,190	336,082
Other operating income	3,556	4,063	9,720	8,290
Operating profit before finance costs, depreciation, amortisation and tax	27,920	36,818	63,434	62,976
Depreciation and amortisation	(6,921)	(6,968)	(13,949)	(14,019)
Profit from operations	20,999	29,850	49,485	48,957
Finance costs	(11,152)	(7,410)	(22,253)	(19,533)
Share of results of associates	(23)	112	115	227
Share of results of jointly controlled entities	477	658	446	1,377
Profit before taxation	**10,301**	**23,210**	**27,793**	**31,028**
Tax expense	(6,347)	(3,994)	(12,118)	(8,152)
Profit for the period	**3,954**	**19,216**	**15,675**	**22,876**
Other comprehensive income				
Exchange differences on translating foreign operations	502	(415)	(498)	197
Total comprehensive income for the period	**4,456**	**18,801**	**15,177**	**23,073**

BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 June 2012 – continued
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 June 2012	**Preceding year quarter to 30 June 2011**	**Current year to 30 June 2012**	**Preceding year to 30 June 2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit/(loss) attributable to:				
Equity holders of the Company	5,867	17,129	18,490	21,383
Non-controlling interests	(1,913)	2,087	(2,815)	1,493
	3,954	19,216	15,675	22,876
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	6,369	16,713	17,992	21,579
Non-controlling interests	(1,913)	2,088	(2,815)	1,494
	4,456	18,801	15,177	23,073
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	1.2	3.5	3.8	4.4
– diluted (sen) [See Part B Note 12(b)]	1.0	2.9	3.1	3.6

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the explanatory notes attached to this interim financial report.

BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 June 2012
The figures have not been audited.

	(Unaudited) As at 30 June 2012 RM'000	(Audited) As at 31 December 2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	563,102	568,369
Land held for property development	93,242	93,754
Investment properties	1,073,321	1,072,989
Goodwill	3,896	3,896
Investment in associates	876	762
Investment in jointly controlled entities	26,455	26,023
Debt recoverable from an unquoted entity	6,296	6,296
Receivables	71,962	68,044
Deferred tax assets	13,355	13,742
Post-employment benefit surplus	3,672	3,672
	1,856,177	1,857,547
Current assets		
Inventories	168,732	182,269
Property development costs	678,260	627,728
Tax recoverable	21,314	24,911
Trade receivables	143,635	159,522
Other receivables	171,135	164,680
Short term deposits	270,872	316,359
Cash and bank balances	29,273	29,538
	1,483,221	1,505,007
Non-current classified as assets held for sale	0	220
TOTAL ASSETS	3,339,398	3,362,774
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	489,295	488,393
Share premium	245,500	245,303
Foreign currency reserve	(12,047)	(11,549)
Retained earnings	1,095,706	1,077,216
	1,818,454	1,799,363
Non controlling interests	137,735	140,548
Warrant reserve	26,549	26,655
Total equity	1,982,738	1,966,566

BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 June 2012 - continued
The figures have not been audited.

	(Unaudited) As at 30 June 2012 RM'000	(Audited) As at 31 December 2011 RM'000
Non-current liabilities		
Post-employment benefit obligations	9,899	10,085
Provisions for other liabilities	15,157	14,857
Deferred tax liabilities	21,646	18,244
Borrowings	693,995	762,643
	740,697	805,829
Current liabilities		
Trade payables	116,601	125,857
Other payables and provisions	200,239	213,763
Derivative financial instruments	872	331
Taxation	4,988	3,025
Borrowings	293,263	247,403
	615,963	590,379
Total liabilities	1,356,660	1,396,208
TOTAL EQUITY AND LIABILITIES	3,339,398	3,362,774
Net assets per share attributable to equity holders of the Company (RM)	3.72	3.68

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the explanatory notes attached to this interim financial report.

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BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2012
The figures have not been audited.

	← Attributable to equity holders of the Company →							
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity RM'000
At 1 January 2012	488,393	245,303	(11,549)	1,077,216	1,799,363	140,548	26,655	1,966,566
Total comprehensive income for the period	0	0	(498)	18,490	17,992	(2,815)	0	15,177
<u>Transactions with owners:</u>								
- Conversion of warrants to ordinary shares	902	197	0	0	1,099	0	(106)	993
- Subscription of additional shares in a subsidiary	0	0	0	0	0	2	0	2
Balance as at 30 June 2012	489,295	245,500	(12,047)	1,095,706	1,818,454	137,735	26,549	1,982,738

BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2012 – continued
The figures have not been audited.

	← Attributable to equity holders of the Company →							
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity RM'000
At 1 January 2011	486,188	244,823	(12,112)	1,017,361	1,736,260	138,469	26,915	1,901,644
Total comprehensive income for the period	0	0	196	21,383	21,579	1,494	0	23,073
<u>Transactions with owners:</u>								
- Conversion of warrants to ordinary shares	768	168	0	0	936	0	(91)	845
- Subscription of additional shares in a subsidiary	0	0	0	0	0	250	0	250
Balance as at 30 June 2011	486,956	244,991	(11,916)	1,038,744	1,758,775	140,213	26,824	1,925,812

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flow for the financial period ended 30 June 2012
The figures have not been audited.

	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000
Cash flows from operating activities		
– Net profit for the period	15,675	22,876
– Adjustments for non-cash and non-operating items	42,011	35,943
	57,686	58,819
– Changes in working capital		
• Net change in current assets	(23,002)	244,930
• Net change in current liabilities	(22,920)	15,173
– Proceeds from disposal of non-current assets held for sale	-	7,135
– Proceeds from disposal of land held for development	-	540
– Development expenditure incurred	(1,300)	(561)
– Capital commitment reserves received/(utilised)	103	(1,404)
– Staff retirement benefits paid	(718)	(284)
– Tax refund	737	-
– Tax paid	(3,733)	(6,585)
Net cash flow from operating activities	6,853	317,763
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	157	44
– Proceeds from disposal of investment properties	-	1,035
– Acquisition of land held for property development	-	(164,775)
– Purchase of property, plant and equipment	(8,845)	(8,658)
– Interest received	6,263	1,050
– Dividend received	-	280
– Subsequent expenditure incurred on investment properties	(1,198)	(1,141)
Net cash flow used in investing activities	(3,623)	(172,165)
Cash flows from financing activities		
– Proceeds from term loan	-	128,676
– Proceeds from subscription of shares in a subsidiary by minority interest	2	250
– Proceeds from issuance of shares from conversion of warrants	992	845
– Repayment of term loans	(20,731)	(194,060)
– Repayment of revolving credits	(30,000)	(13,000)
– Proceeds from bankers acceptance	19,014	3,607
– Repayment of commercial papers	-	(35,000)
– Hire purchase principal payments	(347)	(392)
– Interest paid	(27,007)	(18,976)
– Financing expenses	(261)	(6,030)
Net cash flow used in financing activities	(58,338)	(134,080)
Net change in cash and cash equivalents	(55,108)	11,518
Cash and cash equivalents at 1 January	343,080	56,888
Effects of exchange rate changes	7	(114)
Cash and cash equivalents at 30 June	287,979	68,292

BRDB

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flow for the financial period ended 30 June 2012 – continued
The figures have not been audited.

	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000
Cash and cash equivalents comprise:		
Short term deposits	270,872	31,306
Cash and bank balances	29,273	41,567
Bank overdraft (see Part B Note 9)	(12,166)	(4,581)
	287,979	68,292

Included in cash and cash equivalents is an amount of RM76.5 million (2011: RM38.2 million) which are monies subject to usage restriction. These are monies held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control & Licensing) Act, 1966 which can only be used for specific purposes allowed for under the Housing Developers (Housing Development Accounts) Regulations, 1991 and monies set aside for purposes of capital maintenance of the Group's strata-titled development projects.

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the explanatory notes attached to this interim financial report.

PART A : Explanatory notes pursuant to FRS 134

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for investment properties, derivative financial instruments, available-for-sale investments and financial assets held for trading which have been stated at fair value.

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

2. Changes in Accounting Policies

The Group falls within the scope definition of Transitioning Entities. Transitioning Entities will be allowed to defer adoption of the new Malaysian Financial Reporting Standards ("MFRS") Framework for two years. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. For the financial year ending 31 December 2012, the Group will continue to prepare financial statements using Financial Reporting Standards ("FRS").

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2011, except for the adoption of the following Financial Reporting Standards (FRS), Issues Committee (IC) Interpretations and amendments to FRS and IC Interpretations which are relevant to the Group's operations with effect from 1 January 2012 :-

Revised FRS 124:	Related Party Disclosures
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14:	FRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction
Amendment to FRS 7:	Financial Instruments: Disclosures on Transfers of Financial Assets

The adoption of the above standards and interpretations are not expected to have any significant impact on the financial statements of the Group in the year of initial application.

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

4. Seasonality or cyclicality of interim operations

Demand for properties is generally dependent on the national economic environment. Demand for particleboard and related products is seasonal and is also affected by national as well as global economic conditions.

5. Exceptional items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2012.

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6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 30 June 2012.

7. Issuance and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period ended 30 June 2012 except for the Company's issuance of 902,356 ordinary shares of RM1.00 each for cash, arising from the exercise of BRDB Warrants 2007/2012 at the exercise price of RM1.10 per ordinary share.

On 12 June 2012, the Company cancelled its RM200 million Nominal Value Commercial Papers/Medium-Term Notes Programme (2007/2014).

8. Dividends paid

There were no dividends paid for the financial period ended 30 June 2012.

9. Segmental reporting

By operating segment

	Revenue		Profit/(loss) from operations	
	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000
Property				
Property development	134,078	155,864	33,801	29,948
Property investment	33,675	28,249	16,744	11,696
Others	-	7,143	(7)	(578)
	167,753	191,256	50,538	41,066
Manufacturing	157,437	144,826	(1,053)	7,891
	325,190	336,082	49,485	48,957

By geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000	As at 30 June 2012 RM'000	As at 30 June 2011 RM'000	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000
Malaysia	270,601	289,801	3,256,389	2,965,782	8,845	8,627
Middle East and South Asia	19,173	13,290	52,990	64,679	-	21
South East Asia	15,008	11,983	53	76	-	-
Hong Kong and China	11,536	11,610	1	89	-	-
Others	8,872	9,398	29,965	3,186	-	10
	325,190	336,082	3,339,398	3,033,812	8,845	8,658

10. Valuations of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment allowances.

11. Material events subsequent to the financial period ended 30 June 2012

There were no material events subsequent to the end of the financial period ended 30 June 2012.

12. Changes in the composition of the Group during the financial period ended 30 June 2012

There were no changes in the composition of the Group during the financial period ended 30 June 2012 except for the incorporation of a new subsidiary, Gateway Wollongong Pty Ltd ("Gateway") in Australia on 23 May 2012. The Company subscribed for 9,250 ordinary shares of AUD$1.00 each representing 92.5% of the issued share capital of Gateway. The intended principal activity of Gateway is property development.

13. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities and contingent assets since the last statement of financial position as at 31 December 2011 except for:

	As at 30 June 2012 RM'000	**As at 31 December 2011 RM'000**
Corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries	328,270	348,545

14. Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2012 were as follows:

	RM'000
Authorised and contracted	4,732
Authorised but not contracted	24,830
	29,562
Analysed as follows:	
Property, plant and equipment	29,314
Investment properties	248
	29,562

PART B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

1. Performance by operating segment

Quarter on Quarter review

Group revenue of RM170.1 million revenue in the second quarter of this year fell 14% as compared to RM198.9 million a year ago as a 5% increase in sales in the manufacturing division cushioned a 28% drop in property division revenue. Group pre-tax profit fell from RM23.2 million a year ago to RM10.3 million in the quarter under review with a lower pretax profit of RM14.9 million from the property division whilst the manufacturing division under Mieco Chipboard Bhd (MIECO) recorded a loss of RM4.6 million, despite higher revenue.

Property

The property division saw more sales of properties in the Klang Valley with progress income recognition from ongoing projects : 6CapSquare and Verdana in Kuala Lumpur and Straits View Residences in Johor. However, property development revenue fell 32% to RM69.5 million when compared to RM101.9 million revenue a year ago primarily due to the completion of CapSquare Tower last year. Property investment revenue grew to RM16.9 million, up 22% with increased occupancy of the Bangsar Shopping Centre (BSC), Menara BRDB and Troika Commercial. However, increased selling and promotional expenses as well as finance costs resulted in a reduced pre-tax profit of RM14.9 million in the property division from RM19.2 million a year ago.

Manufacturing

MIECO's revenue increased 5% quarter-on-quarter to RM83.7 million from RM79.5 million a year ago with a 42% jump in export sales volume mainly of plainboards. However, MIECO reported a second quarter loss of RM4.6 million against a profit of RM4.1 million a year ago attributable to :

- change in sales mix with more export of plainboards at penetrative pricing to new South Asian markets whilst domestic sales of value-added boards fell with reduced demand from the office automation segment ;
- increased raw material costs due to tight supply conditions for raw wood whilst the continued demand for urea in the agriculture industry has kept prices of glue consistently high and
- Unrealised foreign exchange losses on translation of USD loan and from hedging of sales contracts.

Year on Year review

Group revenue of RM325.2 million for the first 6 months of this year was slightly below that of RM336.1 million a year ago due to lower revenue in the property division mitigated by higher revenue in the manufacturing division. Group pre-tax profit fell from RM31.0 million a year ago to RM27.8 million in the first half of this year, down 10% mainly due to MIECO's pre-tax loss of RM6.4 million. For the first half of 2012, the property division posted a pre-tax profit of RM34.2 million, up 20% as compared to RM28.4 million a year ago.

Property

Revenue in the property division in the first half of 2012 was RM167.8 million, down 12% from RM191.3 million a year ago. The lower contributions from property development, construction and supermarket activities were partially mitigated by higher income from investment properties of BSC, Menara BRDB and Troika Commercial. For the first half of 2012, the Group sold more properties with contributions derived mainly from sales of completed One Menerung and Troika apartments and progress income recognition of sold units of ongoing 6CapSquare and Verdana in Kuala Lumpur and Straits View Residences in Johor. Despite the lower revenue, the property division achieved higher pre-tax profit of RM34.2 million, up 20% as compared to RM28.4 million a year ago due to better margins.

Manufacturing
MIECO reported a 9% higher revenue to RM157.4 million for the period under review from RM144.8 million a year ago mainly driven by plainboard sales to South Asia and South East Asia.

Albeit a stronger revenue, MIECO suffered a pre-tax loss of RM6.4 million against a pre-tax profit of RM2.7 million a year ago. This was mainly attributable to increased wood and glue costs, lower plainboard selling prices and unrealised foreign exchange losses from translation of USD loan and from hedging of sales contracts.

2. Material change in profit before taxation for the quarter against the immediate preceding quarter
Group pre-tax profit for the second quarter fell to RM10.3 million, down 41% when compared to RM17.5 million in the immediate preceding quarter due to lower profits in the property division and a bigger loss in the manufacturing division. Pre-tax profit in the property division slipped to RM14.9 million against RM19.3 million mainly due to higher selling expenses and construction cost.

MIECO's loss before tax widened in the second quarter to RM4.6 million from RM1.8 million for the first quarter primarily due to the earlier mentioned unrealised foreign exchange losses.

3. Prospects for the current financial year

The Malaysian economy posted a strong 5.4% year-on-year growth in the second quarter of this year on the back of higher domestic demand alongside weaker external demand. This is amidst the unresolved debt crisis in Europe, a slowing economy in China and uneven recovery in the US and Japan. Despite unsettling external conditions, the line-up of Economic Transformation Programme projects is expected to sustain the steady domestic growth momentum into the second half of this year.

Property
The property division continues to see a steady demand for its completed properties and ongoing projects in Kuala Lumpur and Johor as consumer spending and private investment growth remain resilient. The Group has received keen interest for its new projects comprising 62 units of Boulevard shopoffices and 52 units of Straits View Residences Phase 5 in Permas Jaya, Johor and 121 ultra luxurious Serai residential units in Bukit Bandaraya, Kuala Lumpur. In addition, the Group's recurring income base from its investment properties continues to grow with full occupancy of BSC and rising tenancies in Menara BRDB and Troika Commercial while CapSquare Centre has rebranded as PIKOM ICT Mall. The property division hopes to achieve operating results which are comparable to that of last year.

Manufacturing
Operating conditions for MIECO are very challenging this year as particleboard prices stay weak amidst sluggish global demand resulting in customers being unwilling to commit orders or delaying in taking delivery. Increased raw material costs have also eroded margins. Hence, unless the current difficult business conditions improve significantly, MIECO is expected to suffer losses for the current financial year. To mitigate its losses, MIECO continues to develop its brand presence in new markets and manage its input costs as well as improve plant productivity.

4. Variance of actual profit from forecast profit
The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.

5. Profit before tax

	Current year quarter to 30 June 2012 RM'000	Preceding year quarter to 30 June 2011 RM'000	Current year to 30 June 2012 RM'000	Preceding year to 30 June 2011 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Interest income	(3,965)	(472)	(7,982)	(1,047)
Interest expense	11,032	6,996	21,992	14,474
Net realised foreign exchange gain	(475)	(442)	(1,079)	(634)
Net unrealised foreign exchange loss/(gain)	416	6	(190)	(432)
Depreciation and amortization	6,921	6,968	13,949	14,019
Fair value loss on investment properties	432	382	865	764
Gain on disposal of investment property	-	-	-	(147)
Gain on disposal of land held classified under non-current assets held for sale	-	-	-	(1,965)
Gain on disposal of land held for development	-	-	-	(530)
Write back of allowance for inventories obsolescence	-	(1,355)	-	(2,489)
(Write back)/write down of inventories	(1)	46	(12)	112
Impairment loss/(write back of impairment loss) on receivables	(139)	12	79	568
Gain on fair value of derivative financial instruments	974	215	541	45

6. Tax expense

	Current quarter to 30 June 2012 RM'000	Current year to 30 June 2012 RM'000
In respect of current year		
- Malaysian tax	4,364	8,329
Deferred taxation		
- Malaysian tax	1,983	3,789
Tax expense	6,347	12,118

The Group's effective tax rate for the current quarter and year to date is higher than the statutory tax rate due mainly to certain expenses not deductible for tax purposes and deferred tax assets not recognised.

7. Retained earnings

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	342,450	323,315
- Unrealised	375,440	379,460
	717,890	702,775
Total share of retained earnings from associates:		
- Realised	1,536	1,421
Total share of retained earnings from jointly controlled entities:		
- Realised	1,230	785
- Unrealised	(429)	(429)
	720,227	704,552
Add: Consolidation adjustments	375,479	372,664
Total Group retained earnings	1,095,706	1,077,216

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

8. Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report.

Proposed disposal of certain assets (Proposed Disposal)

On 5 September 2011, the Board of Directors received an offer from the Company's major shareholder, Ambang Sehati Sdn. Bhd. (Ambang Sehati) to acquire collectively the following assets (Assets) from the Group:

CapSquare Retail Centre;

Permas Jusco Mall; and

100% equity interest in BR Property Holdings Sdn. Bhd. which owns The Bangsar Shopping Centre and Menara BRDB.

On 19 September 2011, the Directors of the Company agreed to the disposal of the Assets to Ambang Sehati for a total cash consideration of RM430 million. In addition, the Company proposed to distribute part of the disposal proceeds to the ordinary shareholders of the Company via a net cash dividend of RM0.80 per ordinary share.

On 26 September 2011, the Company and Ambang Sehati mutually agreed to cease all negotiations and for the Company to undertake the Proposed Disposal by way of a tender exercise, whereby Ambang Sehati would be invited to participate in the tender.

On 22 November 2011, the Directors of the Company decided that in view of Ambang Sehati's expressed intention to explore the possibility of increasing its stake in the Company via various means which may or may not result in a general offer, the tender exercise in respect of the Proposed Disposal would be deferred to the first quarter of 2012.

On 27 March 2012, the Directors of the Company decided to proceed with the Proposed Disposal via tender.

However this Proposed Disposal has been put on hold following receipt on 30 July 2012 of a letter from Ambang Sehati to inform of its potential takeover offer for BRDB.

Potential takeover offer for BRDB

On 30 July 2012, Ambang Sehati informed the Board of Directors that it is in the midst of finalising the financing, including procuring the necessary approvals for the funding for a potential takeover offer of voting shares and warrants in BRDB not already owned by it. The indicative price is RM2.90 per voting share based on the estimated diluted net tangible asset per share in BRDB and the warrants at the corresponding indicative price of RM1.80 per warrant.

9. Borrowings and debt securities

The Group's borrowings are all denominated in Ringgit Malaysia except for a USD9.045 million term loan.
The details of the Group's borrowings as at 30 June 2012 are as follows:

	Current		**Non-current**	
	RM'000	**Foreign currency USD'000**	**RM'000**	**Foreign currency USD'000**
Term loans (secured)	83,645		609,840	
Term loan (unsecured)	35,618	2,700	84,012	6,345
Bonds (unsecured)	102,161		-	
Revolving credit (secured)	15,423		-	
Bankers acceptance (unsecured)	44,126		-	
Bank overdraft (unsecured)	12,166		-	
Hire purchase creditors (secured)	124		143	
	293,263		693,995	

Finance cost of RM4.7 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to property development costs during the financial period ended 30 June 2012.

On 12 June 2012, the Company cancelled its RM200 million Nominal Value Commercial Papers/Medium-Term Notes Programme (2007/2014). On 17 August 2012, the Company had fully redeemed its RM100 million Bonds (2007/2012).

10. Changes in material litigation

As at the date of this report, there were no changes in material litigation since the last statement of financial position as at 31 December 2011.

11. Dividend

The Directors do not recommend the payment of any interim dividend for the financial period ended 30 June 2012. No interim dividend was declared for the same period last year.

Shareholders at the Company's Annual General Meeting on 21 June 2012 approved a first and final dividend of 7.5% per share less 25% income tax in respect of the financial year ended 31 December 2011. Payment of this dividend amounting to RM28 million was made on 17 August 2012.

12. Earnings per share

	Current year quarter to 30 June 2012	Preceding year quarter to 30 June 2011	Current year to 30 June 2012	Preceding year to 30 June 2011
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	5,867	17,129	18,490	21,383
Weighted average number of ordinary shares in issue ('000)	488,765	486,585	488,585	486,402
Earnings per share (sen)	1.2	3.5	3.8	4.4
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	5,867	17,129	18,490	21,383
Weighted average number of ordinary shares in issue ('000)	488,765	486,585	488,585	486,402
Adjustment for effect of dilution on warrants issued ('000)	117,533	106,136	117,486	108,887
Weighted average number of ordinary shares for diluted earnings per share ('000)	606,298	592,721	606,071	595,289
Diluted earnings per share (sen)	1.0	2.9	3.1	3.6

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
27 August 2012